

Internal Operating POLICY

Number: AP - 5

Section: Office of the Controller

Subject: Vendor Numbers

Approved By: DENR Secretary

Eff. Date: July 1, 1995

Revised: February 1, 2013

Page 1 of 6

POLICY

Before the Accounts Payable Specialist can enter a document in the North Carolina Accounting System, the vendor must exist in NCAS. The department policy is for *all vendor numbers* to be verified in NCAS and Group number applied *before* sending the Cash Disbursement Code Sheet to the Accounts Payable Specialist.



Number: AP - 5

Section: Office of the Controller

Subject: Vendor Numbers

Approved By: DENR Secretary

Eff. Date: July 1, 1995

Revised: February 1, 2013

Page 2 of 6

PROCEDURES

The procedures for Vendor Numbers in the North Carolina Accounting System are detailed in the following Table of Contents.

Table of Contents

Vendor Numbers	3
Trade vendors	3
Non-trade vendors	3
Employee vendors	3
Vendor numbers	4
Group numbers	4
Remit to Address	4
Nine digit ZIP Code	5
Zip plus 4	5
Adding and Changing Vendor Numbers	6
Vendor Numbers	

In NCAS, a vendor record must exist before documents can be entered. During the payment process, it may be necessary to add and change vendors. There are three types of vendors that may be added or modified:

Trade vendors

People and companies outside of our Department who provide goods and services to our agency and who may provide goods and services to other State Agencies. These records are maintained by OSC.

Non-trade vendors

Vendors to whom payments are made for transactions other than purchased goods and services that are utilized specifically by our agency and who are not utilized by other State Agencies. These records are maintained by DENR.

Employee vendors

An employee to whom our Department pays expense reimbursements or travel advances. These records are maintained by DENR.

All vendor numbers (including the group number) must be verified in NCAS before sending the Cash Disbursement Code Sheet (CDCS) to the accounts payable specialist.

The term 'accounts payable specialist' will be used throughout these procedures. This includes any division personnel performing an accounts payable function.

These instructions will refer to the use of the Cash Disbursement Code Sheet; however, divisions are given the option of using the form or an invoice stamp to denote the accounting information.

Use of an invoice stamp does not exempt the division from ensuring that all necessary A/P information is provided, such as 1099 codes, NC OpenBook indicator codes, purchase order info, etc.

Vendor Numbers (Cont)

The Cash Disbursement Code Sheet must indicate the following information: Vendor Number, Group Number, Remit To Address, and the Nine-Digit Zip Code.

1. Vendor Number

The *Vendor Number* is the vendor's *Federal Employer Identification Number (FEIN)*. Only one vendor number can be recorded on each cash disbursement code sheet. All invoices paid on a cash disbursement code sheet must be for the same vendor number.

2. Group Number

The *Group Number* is a 2-digit field assigned by the Office of the State Controller (OSC) used to distinguish between multiple Remit To addresses for the same vendor. Group numbers are primarily used for 16PT vendors (trade vendors); although, there may be certain cases where a group number is used with a 16PN vendor (non-trade vendors). OSC uses an alpha numeric system to assign these numbers. Group numbers assigned before eProcurement began with 'A' and continued through the alphabet, including double letters such as AA, BC, FB, etc. With the implementation of eProcurement, group numbers now begin with '01' and continue being numbered sequentially.

3. Remit To Address

The *Remit To Address* is the address requested by the vendor to which his payments should be sent. This address is shown on all invoices, but is sometimes different from the address where the vendor is physically located. The remit to address must be shown on the cash disbursement code sheet exactly as the vendor has stated on the invoice.

Vendor Numbers (Cont)

4. Nine-digit ZIP Code

The *ZIP* (*Zoning Improvement Plan*) *Code* is a nine (9) digit code that identifies areas within the United States and its territories to simplify the distribution of mail by the U. S. Postal Service. OSC requires that any vendor added to the system have the *complete* ZIP + 4.

The first digit of a zip code divides the country into 10 large groups of states numbered from 0 in the Northeast to 9 in the far West. Within these areas, each state is divided into an average of 10 smaller geographical areas, identified by the 2nd and 3rd digits of the zip code. These digits, in conjunction with the first digit, represent a sectional center facility of a mail processing facility area. The 4th and 5th digits identify a post office, station, branch, or local delivery area. The 6th and 7th digits denote a delivery sector, which may be several blocks, a group of streets, a group of post office boxes, several office buildings, a single high-rise office building, a large apartment building, or a small geographic area. The last two digits denote a delivery segment, which might be one floor of an office building, one side of a street between intersecting streets, specific departments in a firm, or a group of post office boxes.

All of the vendor information is very important in ensuring the vendor prompt payment. The divisions are responsible for supplying the required information to the accounts payable specialist. Incorrect information could cause a check to be sent to the wrong vendor or delays in the processing of a payment. Cash disbursement code sheets that are missing any required information cannot be processed until the preparer supplies all of the necessary information.

When the invoice does not reflect the complete zip code, you may contact the vendor for the additional information or access the zip code listing via the Internet or the zip code book. The Internet Address is:

www.usps.gov/ncsc/lookups/

Adding and Changing Vendor Numbers

In NCAS, a vendor record must exist before a document can be entered into the accounting system. The cash disbursement code sheet must also indicate the correct vendor and group number. During the verification process, it may be determined that the vendor number has not been added to NCAS or the vendor information needs to be changed in NCAS. To add a new vendor or a new remit to address, complete the following steps:

- 1. Check the New Vendor block on the CDCS.
- 2. Obtain a completed W-9 form from the vendor with the correct address and forward it to the Controller's Office.
- 3. Send the W-9, along with the CDCS, to the Controller's Office for processing.
- 4. Check the Vendor Shortname Lookup (VSL) screen, to verify the vendor has been added to NCAS.